

Foreign Policy - 7

House Panels Weighing Five Proposals:**South Africa's Critics Renew Bid for Sanctions**

House Democrats the week of March 21 reopened their fight with the Reagan administration to place harsh sanctions against South Africa's white-minority government, saying existing sanctions are ineffective and not being adequately enforced.

Five sanctions bills have been introduced in the House, the strongest of which would force a total divestment of U.S. businesses and ban all trade with South Africa.

Congress imposed limited economic sanctions in 1986, over President Reagan's veto. As in the sanctions-writing process nearly two years ago, the ultimate strength of this year's package depends largely on the Senate. (1986 Almanac p. 359)

"It will again be a more difficult process in the Senate than in the House. But I think both bodies are inclined to impose tougher sanctions," said Howard Wolpe, D-Mich., chairman of the House Foreign Affairs Subcommittee on Africa. "There is very substantial bipartisan sentiment in the Congress that will sustain a much stronger sanctions effort."

Wolpe said sanctions proponents may have "a little easier time" this year because of dramatic changes in the political climate since 1986.

In an election year, with Reagan in his last nine months in office and the Democrats in control of Congress, Republicans may feel less beholden to Reagan's policy of "constructive engagement," which stresses diplomatic dialogue with South Africa's government rather than economic sanctions. (1987 Weekly Report p. 2792)

A bipartisan Senate group, including staff members from the offices of Edward M. Kennedy, D-Mass., Lowell P. Weicker Jr., R-Conn., and members of the Foreign Relations Committee, has been meeting for several weeks to work out a companion sanctions package, House and Senate aides said.

A House Foreign Affairs aide said House action on the issue should be completed by May, with Senate action taking place by June and a conference committee report expected before the November elections. "Depending on the atmosphere on the Senate floor,

we could have a rather strong product," the aide said.

The trade-ban and divestment bill (HR 1580), sponsored by Rep. Ronald V. Dellums, D-Calif., and 95 cosponsors, is similar to a Dellums bill that passed the House in 1986. In conference that year, Dellums' bill lost out to a much milder Senate version that became law over Reagan's veto.

The other four House sanctions bills are being offered as complements to Dellums' measure. They are by:

- Mervyn M. Dymally, D-Calif., to prohibit importation of South African diamonds (HR 1051).

- William H. Gray III, D-Pa., to prohibit U.S. intelligence and military cooperation with South Africa (HR 2443).

- Bob Wise, D-W.Va., to require U.S. divestiture from the South African oil industry (HR 3317).

- Mickey Leland, D-Texas, to prohibit South Africa from investing in U.S. mining interests (HR 3328).

The sanctions legislation is slated for markup April 13 by the Africa panel and a Foreign Affairs subcommittee on International Economic Policy chaired by Don Bonker, D-Wash.

Policy Debate

In hearings March 22-23 before a joint meeting of the Wolpe and Bonker panels, witnesses — among them administration officials and black

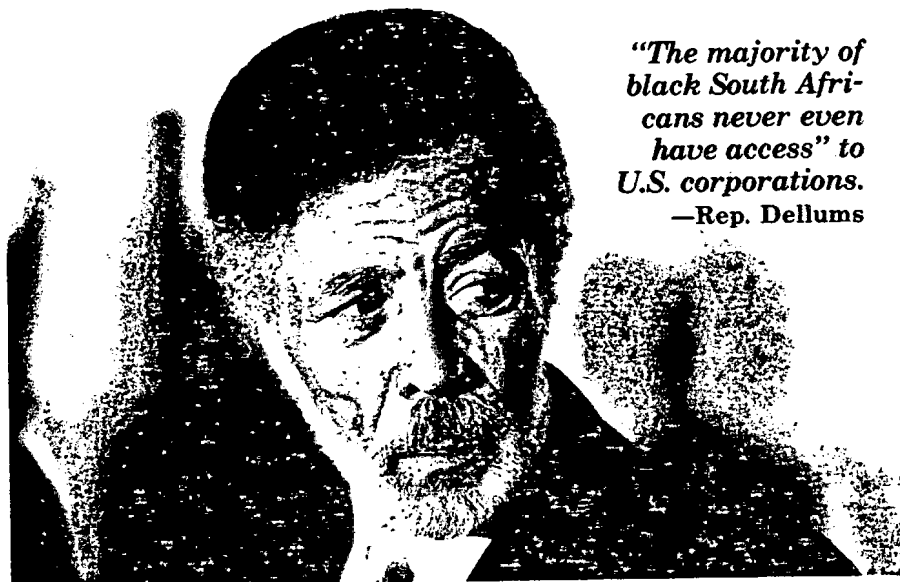
South African cab drivers — debated the use of further sanctions to put an end to the racial apartheid system.

Both sides agree on one thing: Current sanctions have done little to encourage Pretoria to allow the 35 million black majority more rights and political power. Instead, "the government's contempt for black political aspirations and its expressed disdain for Western democratic norms have become more vehement," Charles W. Freeman Jr., deputy assistant secretary of state for African affairs, told the panel March 22.

In February, the South African government banned the Congress of South Africa Trade Unions and 16 other opposition groups from engaging in political activity, including peaceful protest. On March 22, the government closed a leading anti-apartheid newspaper, *The New Nation*, under a six-month-old emergency censorship law.

"Yes, the opponents of apartheid are under severely increased repression, but that calls out for us to help them in whatever limited way we can," Freeman said. "Apartheid will not go away just because we do."

Reagan administration officials argue that South African blacks need to gain political power through economic strength, which means a hands-on U.S. policy of diplomatic dialogue and corporate development, not sanctions that punish working people.



"The majority of black South Africans never even have access" to U.S. corporations.

—Rep. Dellums

—By Mike Mills

Dellums argues that U.S. efforts to bring blacks into the current system have been fruitless.

"The cold reality is that the majority of black South Africans never even have access to any U.S. corporations or their programs," he said. "These corporations also continue to supply South Africa with the equipment, parts and vital technology necessary to automate and regulate the apartheid system."

Dellums and the administration concur that the current sanctions, which include a ban on imports of South African coal, steel and agricultural products, have had symbolic value, but little economic impact on South Africa. House committee staffers and testifying witnesses estimated the amount of U.S.-South Africa trade affected by the sanctions ranges from 18 to 33 percent.

In 1987, the South African economy grew by about 2.5 percent, while growth at a rate of 2.5 percent to 4 percent is projected for 1988, according to March 23 testimony by Roger C. Riddell of the Overseas Development Institute. Riddell said the economy would have to grow between 5 percent and 6 percent to absorb the country's expanding labor force.

Dellums' Bill

The Dellums bill would repeal all provisions of the 1986 Comprehensive Anti-Apartheid Act (PL 99-440) and replace it with stronger sanctions.

Most sweeping are the provisions in the Dellums bill banning any United States investment in South Africa as well as any imports or exports to or from South Africa.

The bill also would: prohibit U.S. banks from holding any South African government funds; prevent any military or intelligence cooperation with the country; and continue 1986 bans on importing Kruggerand gold coins and landing South African airplanes in the United States.

Under the bill, the president could impose trade sanctions on any third nation that benefits from or takes commercial advantage of any sanctions imposed by the legislation.

Loopholes

Proponents of this year's package blame the failure of current sanctions on loopholes and accuse the administration of inadequate enforcement.

For example, the present law prohibits imports of South African and Namibian uranium and uranium ore.



South Africa's system of apartheid is the target of the new drive for sanctions.

But the administration interprets the law as allowing imports of uranium hexafluoride, which is then enriched and converted back to uranium oxide.

The current law also prohibits bank loans to South Africa, but exempts "short-term credits," or credits of up to 180 days provided by a financial institution for a trade transaction.

Dellums cited Federal Reserve figures showing that, as of September 1987, nearly \$3 billion in loans was given to South Africa by U.S. banks. About \$2 billion of those loans were short-term credits, Dellums said.

In a March 23 report to the panel, Richard W. Leonard, a corporate research consultant specializing in South Africa, said several overseas firms and some U.S. corporations have undermined U.S. sanctions efforts by providing banned technology and goods to the South African government.

Leonard cited Ford Motor Co., which will completely divest of its South African subsidiary next month, and General Motors, which sold its subsidiary in 1986. Both former subsidiaries now act as distributors for the U.S. firms, with occasional sales to the South African military and police.

Spokesman for both car companies said U.S. restrictions are not being undermined. "What [former subsidiary] Delta Motor Company does these days is really up to them," said a GM spokesman in Detroit.

The former subsidiaries must sell to the government to remain viable,

both spokesmen said. Also, components used in the vehicles do not originate in the United States, they said.

Wolpe has asked the Commerce Department to investigate possible sanctions violations due to relationships between U.S. and South African firms.

Who Gets Hurt?

Central to the argument against economic sanctions in South Africa is the belief that such measures would harm blacks more than help them.

"The ultimate effect of the sanctions strategy is to leave the oppressed people of South Africa alone and helpless against the power of their oppressors," Alan L. Keyes, resident scholar of the American Enterprise Institute, said March 23.

Merle Lipton, an economist for the Investor Responsibility Research Center, a Washington-based corporate research group, told the panel March 23 of a study estimating that sanctions could give blacks a reduced share of total income from 29 percent in 1985 to 20 percent by the year 2000. Without sanctions, Lipton said, that share would increase to 36 percent by 2000.

Dan Burton, R-Ind., ranking minority member of the Africa Subcommittee and a sanctions opponent, plans to introduce an "alternative bill" March 30. A Burton aide said it was "aimed at helping blacks gain economic power, which in turn will help them gain political power."

Burton said he wants "more for South African blacks than freedom from apartheid; I want them to be free from all tyranny, and I want them to inherit something more than ashes."

Burton says he is also concerned that the Dellums bill would force the United States to become dependent on the Soviet Union for minerals vital to U.S. strategic interests.

Dellums and Wolpe said the administration has demonstrated its belief in trade sanctions when it imposed stringent measures against Panama earlier this month.

Wolpe on March 22 accused the administration of using a "racial double standard" when applying sanctions, while Dellums called the administration's stance "patronizing."

"We have to ask ourselves" how the United States would have acted "had the racial composition of South Africa been reversed," Wolpe said the day after the hearing. "I somehow doubt that we would have been engaged in this long, tortuous debate." ■